

## Fair Housing Laws

### Montgomery County

Chapter 27 of the Montgomery County Code makes it illegal to discriminate in the sale or rental of housing on the basis of race, sex, marital status, physical or mental disability, color, religion, national origin, ancestry, presence of children, source of income, sexual orientation or age.

The Office of Human Rights investigates and conciliates complaints filed under Chapter 27.

### The Federal Government

The Fair Housing Amendments Act makes it illegal to discriminate in the sale or rental of housing on the basis of race, color, religion, national origin, sex, disability, or familial status.

The Department of Housing and Urban Development (HUD) investigates and conciliates housing complaints filed under the FHAA. Persons who consider themselves to be victims of housing discrimination can file suit in Federal Court.

Other federal laws providing mortgage lending protection include the:

- Equal Credit Opportunity Act
- Truth in Lending Act
- Home Ownership and Equity Protection Act of 1994
- Real Estate Settlement Procedures Act (RESPA)

### The State of Maryland

Article 49B of the Maryland Annotated Code makes it illegal to discriminate on the basis of race, color, religion, marital status, physical or mental disability, national origin, sex, or familial status.

The Maryland Commission on Human Relations investigates and conciliates complaints filed under Article 49B.

Real Estate Law (BOP, Section 16-526), forbids discriminatory practices by real estate brokers or agents, putting them at risk of losing their license. This law is enforced by the Real Estate Commission.

## Lending Laws

**C**redit is used by millions of consumers to finance an education or a house, remodel a home, or get a small business loan.

The Equal Credit Opportunity Act (ECOA) ensures that all consumers are given an equal chance to obtain credit. This doesn't mean all consumers who apply for credit get it. Factors such as income, expenses, debt and credit history are considerations for creditworthiness.

The law protects you when you deal with any lender who regularly extends credit, including banks, mortgage companies, small loan and finance companies, retail and department stores, credit card companies, and credit unions. Anyone involved in granting credit, such as a real estate broker who arranges financing, is covered by the law.

Chapter 27 of the Montgomery County Code states that it is an unlawful housing practice "For any lending institution to discriminate in lending money, guaranteeing loans, accepting a deed of trust or mortgage, or otherwise making available funds for the purchase, acquisition, construction, alteration, rehabilitation, repair, or maintenance of any housing or to discriminate in the fixing of the rates, terms, conditions, or provisions of any such financial assistance, or in the extension of service in connection therewith because of race, color, religious creed, ancestry, national origin, sex, marital status, handicap, presence of children, sources of income, sexual orientation, or age."

## If You Suspect Discrimination

### Contact:

Montgomery County  
Office of Human Rights  
(240) 777-8450

U.S. Department of Housing  
and Urban Development  
1-(800) 669-9777

Maryland Real Estate Commission  
(410) 333-6230

Maryland Commission on  
Human Relations  
(410) 767-8600

Language translation and alternative formats of this document are available upon request

### MONTGOMERY COUNTY

Office  
of  
**HR**  
HUMAN RIGHTS

110 North Washington Street  
Suite 200  
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Montgomery County, Maryland  
Office of Human Rights

# FAIR HOUSING: LENDING PROCEDURES AND PRACTICES

How to Recognize  
Discriminatory  
Practices



## When you apply for a mortgage,

### A LENDER MAY NOT...

- Discourage you from applying for or denying you a loan because you are a member of a protected class under Federal, State, or Montgomery County Laws. You are a protected on the basis of your race, sex, marital status, physical or mental disability, color, religion, national origin, ancestry, presence of children, source of income, sexual orientation or age.
- Ask if you're widowed or divorced. When permitted to ask marital status, a creditor may only use the terms: married, unmarried, or separated.
- Request information about your spouse, except when your spouse is applying with you, or if you are relying on your spouse's income or on alimony or child support from a former spouse. They cannot inquire about your plans for having or raising children.
- Ask if you receive alimony, child support, or separate maintenance payments, unless you're first told that you don't have to provide this information if you're not relying on these payments to get the mortgage. A creditor may ask if you have to pay alimony, child support, or separate maintenance payments.



## When deciding to give you a mortgage,

### A LENDER MAY NOT...

- Consider your race, sex, marital status, physical or mental disability, color, religion, national origin, ancestry, presence of children, source of income, sexual orientation or age.
- Consider the race of people in the neighborhood where you want to buy, refinance or improve a house with borrowed money.
- Consider your age, unless:
  - You're too young to sign contracts, generally younger than 18 years of age.
  - You're 62 or older, and the creditor will favor you because of your age.
  - It's used to determine the meaning of other factors important to credit worthiness. For example, a creditor could use your age to determine if your income might drop because you're about to retire.
  - It's used in a valid scoring system that favors applicants age 62 and older. A credit-scoring system assigns points to answers you provide to credit application questions. For example, your length of employment might be scored differently depending on your age.



## When evaluating your income,

### A LENDER MAY NOT...

- Refuse to consider public assistance income the same way as other income.
- Discount income because of your sex or marital status. For example, a creditor cannot count a man's salary at 100 percent and a woman's at 75 percent.
- Assume a woman of childbearing age will stop working to raise children.
- Discount or refuse to consider income because it comes from part-time employment or pension, annuity, or retirement benefits programs.
- Refuse to consider regular alimony, child support, or separate maintenance payments. A creditor may ask you to prove you have received this income consistently.

## You have the right to...

- Have a mortgage in your birth name, your first and your spouse's last name, or your first name and a combined last name.
- Get a mortgage without a cosigner, if you meet the creditor's standards.
- Know whether your application was accepted or rejected within 30 days of filing a complete application.
- Know why your application was rejected. The creditor must give you a notice that tells you either the specific reasons for your rejection or your right to learn the reasons if you ask within 60 days.

Acceptable reasons include:  
"Your income was too low," or  
"You haven't been employed long enough."

Unacceptable reasons are:  
"You didn't meet our minimum standards," or  
"You didn't receive enough points on our credit-scoring system."

- Indefinite and vague reasons are illegal, so ask the creditor to be specific.
- Find out why you were offered less favorable terms than you applied for—unless you accept the terms. Ask for details. Examples of less favorable terms include higher finance charges or less money than you requested.
  - Find out why your account was closed or why the terms of the account were made less favorable unless the account was inactive or delinquent.



## A special note about credit

A good credit history—a record of how you paid past bills—often is necessary to get credit. Unfortunately, this hurts many married, separated, divorced, or widowed women. There are two common reasons women don't have credit histories in their own names: they lost their credit histories when they married and changed their names; or creditors reported accounts shared by married couples in the husband's name only.

If you're married, divorced, separated, or widowed, contact your local credit bureau(s) to make sure all relevant information is in a file under your own name.

